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Hearing Date: December 3, 2008
Hearing Time: 10:00 a.m. (Eastern Time)

-and-

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Attorneys for Creditor
Deer Park Road Corporation

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re

LEHMAN BROTHERS HOLDINGS INC., *et al.*,

Debtors.

Case No. 08-13555 (JMP)

Chapter 11

Jointly Administered

**DEER PARK ROAD CORPORATION'S JOINDER IN LIMITED OBJECTIONS TO
AND RESERVATION OF RIGHTS FROM DEBTORS' MOTION FOR AN ORDER
PURSUANT TO SECTIONS 105 AND 365 OF THE BANKRUPTCY CODE TO
ESTABLISH PROCEDURES FOR THE SETTLEMENT OR ASSUMPTION AND
ASSIGNMENT OF PREPETITION DERIVATIVE CONTRACTS**

Deer Park Road Corporation ("Deer Park"), by and through undersigned counsel, hereby joins in the objections (the "Objections") to the Debtors' Motion for an Order Pursuant to Sections 105 and 365 of the Bankruptcy Code to Establish Procedures for the Settlement or

Assumption and Assignment of Prepetition Derivative Contracts (the “Motion”). In support of this Joinder Deer Park respectfully asserts:

FACTS

1. On or about July 26, 2007 Deer Park and Lehman Brothers Special Financing Inc. (“Special Financing”) entered into that certain International Swap Dealers Association, Inc. (“ISDA”) Master Agreement Dated as of July 26, 2007 (together with all schedules, annexes and definitions, as amended and supplemented from time to time, the “Agreement”). Pursuant to the Agreement, Deer Park and Special Financing agreed to enter, and did enter, into certain transactions.
2. Lehman Brothers Holdings Inc. (“Holdings”) acted as the Credit Support Provider to Special Financing.
3. Under the Agreement, after the occurrence of an Event of Default, the non-defaulting party becomes entitled to declare an “Early Termination Date.” Deer Park has setoff rights pursuant to the Agreement.
4. An Event of Default occurs under the Agreement when, among other things, a party or Credit Support Provider files for bankruptcy. Thus, the bankruptcy filing of Holdings constituted an Event of Default under the Agreement which entitled Deer Park to both terminate the Agreement and exercise its rights to setoff. The bankruptcy filing of Special Financing constituted an additional Event of Default under the Agreement.
5. By letter dated and delivered September 22, 2008, Deer Park, as the non-defaulting party, properly notified Special Financing that one or more Events of Default occurred, and that September 23, 2008 was designated as the Early Termination Date.

6. All trades under the Agreement have been closed and there are no longer any open trades. Special Financing owes Deer Park not less than \$31,750.00. Special Financing holds collateral of Deer Park in the approximate amount of \$1,000,000.00. Special Financing continues to retain Deer Park's collateral. The Motion does not indicate with specificity what will happen with Deer Park's collateral.

JOINDER AND RESERVATION OF RIGHTS

7. Deer Park reserves all rights and nothing herein shall be construed as an admission or a waiver of any rights or claims that Deer Park may be entitled to assert.

8. Deer Park hereby joins in the objections of Linn Energy, LLC, Royal Bank America, FPL Energy Power Marketing, Inc., Florida Power & Light Company, Bayview Financial, L.P., Bayview Opportunity Master Fund, L.P., GoldenTree Asset Management, LP, and Wellmont Healthcare Systems, and reserves its rights to join in any other objections or responses which may be filed.

Dated: November 26, 2008

Respectfully submitted,

/s/ Elyssa S. Kates

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